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**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-1902

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April 15, 1994

FCC - MAIL ROOM

The Honorable Reed Hundt  
Chairman  
Federal Communications Commission  
1919 M Street, NW  
Washington, D.C. 20554

Dear Mr. Hundt:

We are writing regarding the implementation of Section 9 of the Communications Act of 1934, an issue of great concern to small broadcasters in our Districts.

Section 9 authorizes the Federal Communications Commission (FCC) to assess and collect the fee amounts established by the Schedule of Regulatory Fees set forth in Section 9. Under the schedule, the fee amounts for commercial radio licensees will depend solely upon the designated class of the station involved. Fee amounts for commercial television licensees will vary depending on market size.

Under the proposed regulations, these fees will have a negative impact on small broadcasters. The current fee structure is not only inequitable, it disproportionately burdens small stations which may be forced to cut back on programming, or reduce public services, or make operational cutbacks, in order to make regulatory fee payments. Some stations which operate on a very slim margin may be forced to go off of the air as a result of the regulatory fees. These actions would lead to a degradation of service, which clearly is not in the public interest.

We strongly urge the FCC to prevent this potential threat to the public interest. Under Section 9, the FCC has the discretion to waive, reduce, or defer the payment of regulatory license fees. Consequently, we recommend that the FCC take the following actions:

1. Consider the market size and revenue base of each broadcaster when determining the appropriate regulatory fee.

Under the proposed radio station licensing fees, radio stations in the same class will pay the same regulatory fee amount, despite enormous differences in their service areas and revenue bases. For example, small Class C FM stations in rural areas which have a potential audience of thousands

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of listeners will pay the same fee as large Class C FM stations in Chicago, Los Angeles, or New York City, which have a potential audience of millions of listeners. We believe that revenue base should be considered in assessing fees so that small broadcasters are not disproportionately burdened.

2. Grant waivers, reductions and deferments of the fees based on a showing of financial hardship.

Under the proposed rule, the FCC intends to interpret Section 9 (d) very narrowly and grant waivers, reductions or deferments of regulatory fees only in very unusual circumstances. We believe that the FCC should consider a showing of financial hardship as sufficient justification for a waiver, reduction or deferment. Small broadcasters with a tenuous financial position should not be further burdened with federal government regulatory fees.

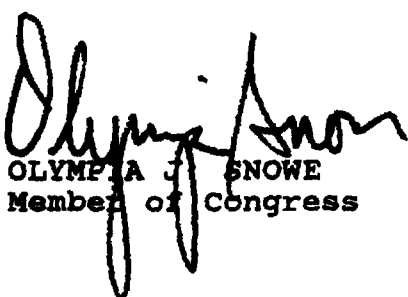
Furthermore, under the proposed rule, broadcasters wishing to request a waiver or reduction in their fee must accompany their request with the appropriate regulatory fee. Stations in bankruptcy, receivership, or trusteeship, will be hard pressed to pay the fee. We believe it does not make sense to require a station requesting a waiver on the basis of financial hardship to be required to pay the fee.


3. Allow all broadcasters to pay their fees in installment.

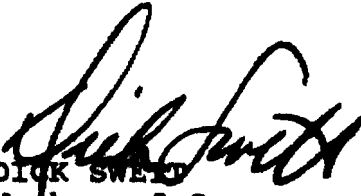
Under the proposed rule, only those broadcasters whose fees total \$12,000 or more are permitted to pay their fees in two equal installments. We believe that the public interest would be better served if all broadcasters were allowed to pay by installments. This would ensure that broadcasters have sufficient funds year round to produce and purchase programming that serves the needs and interests of their individual communities.

We respectfully, yet strongly, encourage you to consider these recommendations. Thank you in advance for your attention to this matter.

Sincerely,

  
OLYMPIA J. SNOWE  
Member of Congress


  
RICHARD H. BAKER  
Member of Congress




DICK SWEET  
Member of Congress



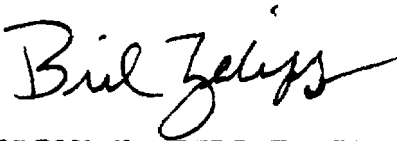
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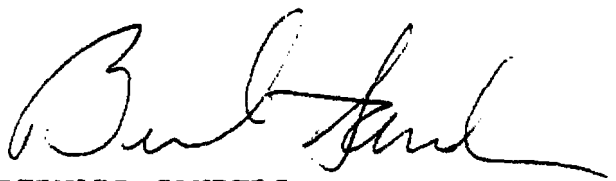
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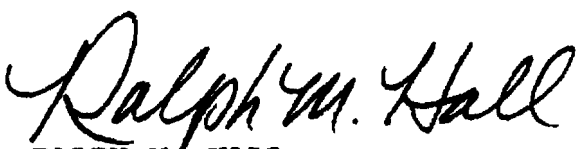
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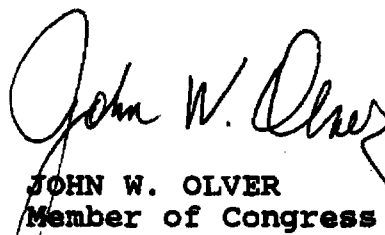
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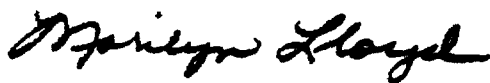
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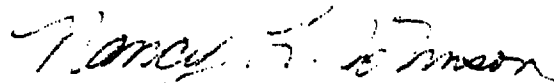
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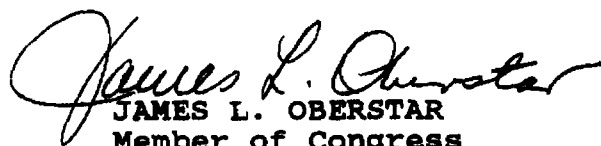
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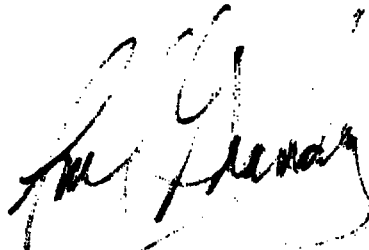
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